

Statement of Audited Standalone Ind AS Financial Results for the quarter ended June 30, 2016

(Rs. Million except per share data)

S.No.	Particulars	Quarter ended	Quarter ended	Quarter ended	Year ended
		June 30, 2016	March 31, 2016	June 30, 2015	March 31, 2016
		Audited	Audited	Audited	Audited
1	Income from operations	163,397	155,894	148,215	603,003
2	Expenses				
	(a) Access charges	20,243	19,274	19,912	80,236
	(b) Network operations expense	35,167	35,858	33,322	137,932
	(c) License fees and spectrum charges (revenue share)	18,898	18,550	17,064	69,635
	(d) Depreciation and amortisation	29,877	26,868	21,096	95,753
	(e) Employee benefits	4,214	5,001	4,612	18,648
	(f) Sales and marketing expenses	9,900	9,846	9,932	39,287
	(g) Other expenses	8,852	8,059	8,858	33,134
	Total expenses	127,151	123,456	114,796	474,625
3	Profit from operations before other income, net finance costs (including exchange fluctuation and related expenses), exceptional items and tax (1-2)	36,246	32,438	33,419	128,378
4	Other income	501	463	344	1,729
5	Profit from ordinary activities before net finance costs (including exchange fluctuation and related expenses), exceptional items and tax (3+4)	36,747	32,901	33,763	130,107
6	Net finance costs (including exchange fluctuation and related expenses)	12,984	9,876	4,218	20,764
7	Profit from ordinary activities after net finance costs (including exchange fluctuation and related expenses) but before exceptional items and tax (5-6)	23,763	23,025	29,545	109,343
8	Exceptional items (Refer Note 9 below)	2,920	985	1,286	6,799
9	Profit from ordinary activities before tax (7-8)	20,843	22,040	28,259	102,544
10	Tax expense (including benefit of Rs.969 Mn for the quarter ended June 16, benefit of Rs. 308 Mn and benefit of Rs. 2243 Mn for the quarter and year ended Mar 16 respectively and benefit of Rs.445 Mn for the quarter ended June 15 on exceptional items)	6,568	5,101	7,781	24,741
11	Net profit from ordinary activities after tax (9-10)	14,275	16,939	20,478	77,803
12	Extraordinary items (net of tax expense)	-	-	-	-
13	Profit for the period / year (11-12)	14,275	16,939	20,478	77,803
14	Other comprehensive income	(30)	17	(68)	(34)
15	Total comprehensive income (13+14)	14,245	16,956	20,390	77,769
16	Paid-up equity share capital (Face value Rs. 5/- each)	19,987	19,987	19,987	19,987
17	Reserves excluding revaluation reserve	671,488	657,179	608,371	657,179
18	Earnings per share before / after extraordinary items (Face value Rs. 5/- each)				
	i) Basic	3.57	4.24	5.12	19.46
	ii) Diluted	3.57	4.24	5.12	19.46

Audited Standalone Segment-wise Revenue, Results, Segment Assets and Segment Liabilities for the quarter ended June 30, 2016

(Rs. Million)

Particulars	Quarter ended	Quarter ended	Quarter ended	Year ended
	June 30, 2016	March 31, 2016	June 30, 2015	March 31, 2016
		Audited	Audited	Audited
1. Segment Revenue				
a) Mobile Services	139,545	135,729	127,400	518,306
b) Homes Services	6,486	6,439	5,859	24,514
c) Airtel Business	24,260	20,915	21,918	87,151
d) Unallocated	-	-	-	-
Total	170,291	163,083	155,177	629,971
Less: Inter-segment revenue *	6,894	7,189	6,962	26,968
Net sales / income from operations	163,397	155,894	148,215	603,003
2. Segment Results				
Profit / (Loss) before net finance costs / (income), exceptional items and tax				
a) Mobile Services	31,064	28,560	29,836	112,068
b) Homes Services	1,689	1,466	1,376	5,540
c) Airtel Business	4,466	3,313	3,070	14,031
d) Unallocated**	(472)	(438)	(519)	(1,532)
Total profit before net finance costs / (income), exceptional items and tax	36,747	32,901	33,763	130,107
Net finance costs (including exchange fluctuation and related expenses)	12,984	9,876	4,218	20,764
Exceptional items	2,920	985	1,286	6,799
Total profit before tax	20,843	22,040	28,259	102,544
3. Segment Assets				
a) Mobile Services	1,438,453	1,376,117	1,219,842	1,376,117
b) Homes Services	191,945	166,534	115,517	166,534
c) Airtel Business	180,345	167,483	135,406	167,483
d) Unallocated	(313,914)	(300,302)	(236,910)	(300,302)
Total	1,496,829	1,409,832	1,233,855	1,409,832
4. Segment Liabilities				
a) Mobile Services	664,588	617,796	514,270	617,796
b) Homes Services	132,827	108,960	59,902	108,960
c) Airtel Business	113,402	104,409	81,881	104,409
d) Unallocated**	(105,484)	(98,520)	(50,577)	(98,520)
Total	805,333	732,645	605,476	732,645

* includes accounting policy alignment.

Includes foreign exchange fluctuations in respect of loans given to subsidiaries.

** Includes borrowings for 3G, 4G and BWA licenses (including spectrum) of Rs. 20,000 Mn, Rs.Nil and Rs. 17,930 Mn as of June 30, 2016, March 31, 2016 and June 30, 2015 respectively.



Notes to the Financial Results

1. The financial results for the quarter ended June 30, 2016 have been reviewed by the Audit and Risk Management Committee and approved by the Board of Directors in their respective meetings held on July 27, 2016.
2. The above financial results is extracted from the condensed interim audited standalone financial statements of the Company, which are prepared in accordance with Indian Accounting Standards ('Ind AS') as prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under.
3. The Company has transitioned to Ind AS with effect from April 1, 2016 and the transition date being April 1, 2015. The transition is carried out from Indian Accounting Principles generally accepted in India ('IGAAP') being the previous GAAP. Accordingly, the impact of transition has been provided in the opening equity as at April 1, 2015 and figures for the previous quarters / year have been restated to comply with Ind AS. Please refer note for 10 for reconciliation of net profit and equity for the previous quarters / year.
4. Effective April 1, 2016, the Company has re-aligned the reporting of its Corporate data and Fixed line business with Airtel business and accordingly renamed Telemedia Service to Homes Services. The historical periods have been restated for the above mention segmental changes to make them comparable.
5. On January 8, 2013, the Department of Telecommunications ('DoT') issued a demand on the Company for Rs. 51,353 Mn towards levy of one time spectrum charge. Based on a petition filed by the Company, the Hon'ble High Court of Bombay, through its order dated January 28, 2013, has directed DoT to respond and not to take any coercive action until the next date of hearing. The Company, based on independent legal opinions, till date has not given any effect to the above demand.
6. During the quarter ended June 30, 2016, the Company has received the requisite regulatory approval for the transfer of right to use spectrum under the 1800 MHZ band for the six circles from Videocon Telecommunications Limited and the transaction accordingly has been consummated.
7. During the quarter ended June 30, 2016, the Company has entered into a definitive agreement with Aircel Limited and its subsidiaries Dishnet Wireless Limited and Aircel Cellular Limited, to acquire rights to use spectrum in the 2300 Mhz band for eight circles. Subsequent to the balance sheet date, transaction for six circles has been consummated.
8. During the quarter ended June 30, 2016, as the closing conditions have been fulfilled and the transaction for the purchase of 100% equity stake in Augere Wireless Broadband India Pvt. Ltd has been consummated. Further, application under section 391 of the Companies Act, 1956 has been filed in the Hon'ble High Court of Delhi for the merger with the Company.
9. Exceptional item during the quarter ended June 30, 2016, pertains to charge of Rs 2,920 Mn resulting from reassessment of the useful life of certain categories of network assets of the Company due to technological advancements and net tax of Rs.969 Mn on the above.
10. The audited reconciliation of Net Profit to Total comprehensive income and Equity between IGAAP and Ind AS are as under:

A. Net Profit to Total comprehensive income reconciliation:

Particulars	(Rs Million)				
	Quarter ended				Year ended
	30-Jun-15	30-Sep-15	31-Dec-15	31-Mar-16	31-Mar-16
Net Profit as per IGAAP	19,951	22,237	17,091	16,186	75,465
Foreign exchange differences on Property, plant and equipment	(109)	(107)	(100)	(80)	(396)
Effect of measuring financial instruments at fair value	404	361	812	860	2,437
Others (Includes tax adjustment on above)	144	77	52	(10)	263
Total comprehensive income as per Ind AS	20,390	22,568	17,855	16,956	77,769



B. Equity reconciliation.

Particulars	(Rs. Million)	
	31-Mar-16	31-Mar-15
Equity as per IGAAP	844,468	782,729
Foreign exchange differences on Property, plant and equipment	2,527	2,923
Fair value as deemed cost exemption for Investment in subsidiaries	(186,260)	(186,260)
Effect of measuring financial instruments at fair value	10,335	7,902
Proposed dividend	6,543	10,681
Others (Includes tax adjustment on above)	(426)	(697)
Equity as per Ind AS	677,187	617,278

11. The figures for the quarter ended March 31, 2016 are calculated as the difference between the audited figures in respect of the full financial year and the audited year to date figures up to the third quarter of the financial year 2015-16.

For Bharti Airtel Limited



Gopal Vittal
Managing Director and CEO (India & South Asia)



New Delhi
July 27, 2016

Notes:

- a) 'Bharti Airtel' or 'Company' stands for Bharti Airtel Limited.
- b) For more details on the financial results, please visit our website 'www.airtel.in'.

